



HOME+PLUS PROGRAM SUMMARY FOR LENDERS

<p>HOUSING FINANCE AGENCY / PROGRAM SPONSOR</p>	<p>Arizona Industrial Development Authority (AzIDA) https://arizonaaida.com</p>
<p>DESCRIPTION</p>	<ul style="list-style-type: none"> • The HOME+PLUS Home Buyer Down Payment Assistance Program provides first mortgage financing and down payment/closing cost assistance to eligible mortgagors. The down payment/closing cost assistance is in the form of a forgivable second lien loan to the borrower. Please refer to the Program Guidelines, available in the Lender Portal under “Program Documents”. • This Program Summary is a complement to and not a substitute for HOME Plus Program guidelines. • FHA, Freddie Mac HFA Advantage, Fannie Mae HFA Preferred, VA and USDA-RD guidelines apply except as modified by this program summary for the purpose of this program only. • AzIDA is QM/ATR exempt.
<p>AVAILABLE MARKETS</p>	<p>Properties located within the State of Arizona</p>
<p>ELIGIBLE LENDERS</p>	<p><i>Lenders must be approved by U.S. Bank and AzIDA to participate in the HOME+PLUS Program. Interested lenders should contact:</i></p> <p><i>Dirk Swift, AzIDA Program Administrator – (602) 319-9620, Dirk@HomePlusAZ.com</i></p>

**MASTER
SERVICER &
COMPLIANCE
AGENT**

Master Servicer

Program Administrator/Compliance Agent

U.S. Bank Home Mortgage

Hilltop Securities Inc.

HFA Division

Attn: Housing Advisory Team

17500 Rockside Road

1201 Elm Street, Suite 3500

Bedford, OH 44146-2099

Dallas, TX 75270

**FIRST MORTGAGE
PRODUCTS**

Purchase money loans for primary residences only.

Product

Amortization Terms

• **Freddie Mac HFA Advantage***

- HFA Advantage Program up to 97% LTV
- CLTV not to exceed 105%

30 years

• **Fannie Mae HFA Preferred ***

- HFA Preferred Program up to 97% LTV
- CLTV not to exceed 105%

30 years

• **FHA and VA**

- Fixed rate Sections 203(b) and 234(c)

30 years

• **USDA – RD**

- Rural Housing Guaranteed Loan

30 years

*The CLTV includes all applicable subordinate liens. Please refer to Freddie Mac HFA Advantage or Fannie Mae HFA Preferred for the Affordable Seconds requirements.

DOWN PAYMENT ASSISTANCE

<i>Product</i>	<i>DPA Amount</i>	<i>US Military ONLY</i>
<i>Freddie Mac HFA Advantage – under 80% AMI - forgivable DPA lien</i>	0.00%	
	3.00%	
	4.00%	
	5.00%	
<i>Fannie Mae HFA Preferred – under 80% AMI - forgivable DPA lien</i>	0.00%	
	3.00%	
	4.00%**	
	5.00%**	
<i>Fannie Mae HFA Preferred – over 80% AMI – forgivable DPA lien</i>	3.00%**	
<i>Fannie Mae HFA Preferred – over 80% AMI – forgivable DPA lien</i>	4.00%**	5.00%
<i>FHA</i>	3.00%**	5.00%
	4.00%**	
	5.00%	
<i>VA</i>	3.00%	
<i>USDA - RD</i>	2.00%	

**Manufactured Housing Allowed – see page 7, “*Qualified Residence Requirements*” for more information

- The DPA assistance under the HOME+PLUS program is provided in the form of a soft second mortgage with a three year forgivable term.

Three-year, no interest, no payment, deferred soft second mortgage, forgiven monthly at a rate of 1/36 over the term of the lien. The DPA second mortgage is fully forgiven after the 36th month (3-years). The homeowner can choose to refinance (or sell) their HOME Plus first mortgage at any time, however if a refinance (or sale) occurs in the first 36 months the DPA 2nd lien would need to be paid (note amount less the number of forgiven months from closing date).

- AzIDA does not subordinate or provide exceptions to the DPA repayment terms.

**DOWN PAYMENT
ASSISTANCE
(CONT'D)**

- The DPA may be used to fund up to 100% of the Borrower’s cash requirement to close, including the down payment, closing costs, pre-paid items, upfront borrower paid Mortgage Insurance and other related Mortgage Loan fees and expenses. No portion of the assistance funds can be paid to the Borrower unless the Borrower is being reimbursed for an overage of his/her earnest money deposit and any pre-paid expenses, to the extent the minimum Borrower contribution has been satisfied, if any. Principal reduction is allowed.
- Lenders table fund the DPA at closing, on behalf of the AzIDA, and will be reimbursed upon purchase of the HOME+PLUS Mortgage by U.S. Bank.
- The lender must receive a compliance approval from the Compliance Agent, Hilltop Securities Inc., for the loan to be eligible for purchase by the Servicer

**FIRST LOAN
INTEREST RATES /
LOAN
RESERVATIONS**

- Hilltop Securities Inc. will post First Mortgage interest rates by 9:00 a.m. Central daily. Current rates can be found at the following website <https://lenders.housing.az.gov>
- The reservation window will be available from 8:00 a.m. to 6:00 p.m. Mountain Standard Time Monday Through Friday except for holidays
- All loans must be delivered and purchased by U.S. Bank within 60 days of rate lock. A one-time extension is available for a fee applicable to the extension time necessary. The fee will be netted out of the lenders SRP upon purchase

7 days	0.06250%
15 days	0.12500%
22 days	0.18750%
30 days	0.25000%

- Rates can be subject to intra-day pricing changes and will be posted in the Lender Portal as well as email notification to those on the daily rate email distribution list.

INCOME LIMITS

The income of all **borrowers** expected to both live in the residence and who are credit qualifying/on the Note must be considered. For compliance purposes, the borrower(s) income calculation is based on the respective agency income guidelines for the underlying mortgage (FHA, VA, USDA-RD, Freddie Mac HFA Advantage and Fannie Mae HFA Preferred) and as disclosed on the final, signed and dated URLA. Household income (other than USDA loans) is NOT used to determine **HOME+PLUS** income limit eligibility. To materially under calculate income or willfully omit disclosure of a borrower income violates the spirit of the program. **Lenders will be responsible for ensuring that the income meets program guidelines.**

County Name	FHA	Freddie Mac HFA Advantage <i>Under 80% AMI</i>	Fannie Mae HFA Preferred <i>over 80% AMI</i>	Fannie Mae HFA Preferred <i>Under 80% AMI</i>	VA	USDA
Apache County	\$109,965	\$39,440	\$109,965	\$39,440	\$109,965	\$109,965
Cochise County	\$109,965	\$53,040	\$109,965	\$53,040	\$109,965	\$109,965
Coconino County	\$109,965	\$60,160	\$109,965	\$60,160	\$109,965	\$109,965
Gila County	\$109,965	\$41,440	\$109,965	\$41,440	\$109,965	\$109,965
Graham County	\$109,965	\$49,920	\$109,965	\$49,920	\$109,965	\$109,965
Greenlee County	\$109,965	\$51,680	\$109,965	\$51,680	\$109,965	\$109,965
La Paz County	\$109,965	\$39,440	\$109,965	\$39,440	\$109,965	\$109,965
Maricopa County	\$109,965	\$62,240	\$109,965	\$62,240	\$109,965	\$109,965
Mohave County	\$109,965	\$45,560	\$109,965	\$45,560	\$109,965	\$109,965
Navajo County	\$109,965	\$42,560	\$109,965	\$42,560	\$109,965	\$109,965
Pima County	\$109,965	\$54,720	\$109,965	\$54,720	\$109,965	\$109,965
Pinal County	\$109,965	\$62,240	\$109,965	\$62,240	\$109,965	\$109,965
Santa Cruz County	\$109,965	\$39,440	\$109,965	\$39,440	\$109,965	\$109,965
Yavapai County	\$109,965	\$51,680	\$109,965	\$51,680	\$109,965	\$109,965
Yuma County	\$109,965	\$45,200	\$109,965	\$45,200	\$109,965	\$109,965

PURCHASE PRICE LIMITS	<p>➤ <u>Follow any Agency guidelines for acquisition limits on all loans.</u></p>
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • Borrower does NOT have to be a First-Time Homebuyer for any loan product • Borrower may not exceed the maximum income limits / purchase price limit set by the program/agency for the underlying first mortgage. <hr/> <ul style="list-style-type: none"> • Freddie Mac HFA Advantage –borrower(s) who intends to occupy the property may have one additional financed residential property at the time of closing. (FHLMC Bulletin 2019-7) • Non-occupying co-signors or co-borrowers are NOT permitted for Freddie Mac. • The borrower(s) maximum annual income varies by the County on the UNDER 80% AMI DPA options. The Lender should always follow the LPA findings. See page 5 for detail. <hr/> <ul style="list-style-type: none"> • Fannie Mae HFA Preferred – borrower(s) who intend to occupy the property may have one additional financed residential property at the time of loan closing. (SEL-2019-03) • Non-occupying co-signors (or non-occupying co-borrowers) ARE permitted for Fannie Mae HFA Preferred. Follow GSE guidelines for required/allowed documents that the co-signor/co-borrower must sign. The non-occupant co-signor cannot occupy the subject property. • The borrower(s) annual income cannot exceed \$109,965 on OVER 80% AMI DPA options. This option may have a slightly higher interest rate. • *A non-occupying co-signor’s income WILL NOT count against the income limit • The borrower(s) maximum annual income varies by the County on the UNDER 80% AMI DPA options. The Lender should always follow the DU findings. See page 5 for detail. • *A non-occupying co-signor’s income WILL count against the income limit <hr/> <ul style="list-style-type: none"> • FHA - Non-occupying co-signors (or non-occupying co-borrowes) ARE permitted, Follow Agency / Insurer guidelines for required/allowed documents that the co-signor/co-borrower must sign. The non-occupant co-signor cannot occupy the subject property. • The borrower(s) annual income cannot exceed \$109,965 on FHA DPA options. • Non-occupying co-signor’s income WILL NOT count against the income limit.

Home Buyer Education	<p>For all loan products</p> <ul style="list-style-type: none"> • At least ONE borrower on each loan MUST complete a homebuyer education course BEFORE closing. Completing the course post-closing will result in a non-saleable transaction. • The education requirement may be met by taking a HUD approved pre-purchase online course, face-to-face counseling. MI Company courses are no longer allowed. More options are available and found on the HOME+PLUS Home Buyer Down Payment Assistance Program website.
Qualified Residence Requirements	<p>New or existing single-family homes</p> <p><i>Freddie Mac HFA Advantage and Fannie Mae HFA Preferred Loans</i></p> <ul style="list-style-type: none"> ○ <i>SFR, condominiums, town homes, 2 Unit (Duplex) One unit must be occupied by the eligible borrower as their principal residence and PUDs.</i> • <i>Manufactured housing – Fannie Mae HFA Preferred ONLY (4 DPA options)</i> <ul style="list-style-type: none"> ○ <i>No manual underwrites</i> ○ <i>Maximum LTV - 95%</i> ○ <i>Maximum DTI - 45%</i> ○ <i>Minimum FICO – 680</i> ○ <i>No singlewide manufactured homes allowed</i>
	<p><i>Government Loans</i></p> <ul style="list-style-type: none"> ○ <i>SFR, 2 Unit (Duplex) One unit must be occupied by the eligible borrower as their principal residence.</i> ○ <i>Condominiums and townhomes.</i> ○ <i>Manufactured housing – FHA ONLY (3% and 4% DPA)</i> <ul style="list-style-type: none"> ▪ <i>No manual underwrites</i> ▪ <i>Maximum DTI - 45%</i> ▪ <i>Minimum FICO – 680</i> ▪ <i>No singlewide manufactured homes allowed</i>
	<p><i>Properties not allowed in any loan product:</i></p> <ul style="list-style-type: none"> ○ <i>Co-ops</i> ○ <i>Manufactured housing (Freddie Mac HFA Advantage, VA, USDA)</i> ○ <i>3-4 unit properties</i> ○ <i>Vacation Homes / Second Homes</i> ○ <i>Mobile/recreational</i>
CONDOMINIUMS	<p><i>U.S. Bank may have additional overlays.</i></p> <p><i>Please check with U.S. Bank or in the AzIDA HOME Plus Program Guidelines.</i></p>
INTERESTED PARTY CONTRIBUTIONS	<p><i>Determined by the respective agency / insurer guidelines for the underlying First Mortgage Program selected.</i></p>

APPRAISAL

A full interior/exterior appraisal is required and must comply with First Mortgage program appraisal guidelines.

**UNDERWRITING
CRITERIA****Conventional Loans**

LTV	Min. FICO	Max. DTI	AUS
95.01% to 97.00%	640	50%	DU, LPA, NO Manual UW
95.00% and below	640	50%	DU, LPA, Manual UW

Fannie Mae HFA Preferred Loans – must have a DU finding of approve/eligible and meet Agency Guidelines, USB overlays and HOME Plus Program Guidelines.

Freddie Mac Fannie HFA Advantage Loans – must have a LPA finding of accept and meet Agency Guidelines, USB overlays and HOME Plus Program Guidelines.

Manual Underwriting: Loans may be manually underwritten at the lender’s discretion. The lender must follow all GSE guidelines and ensure a deliverable/insurable loan. **US Bank will require a minimum of 2 months of PITIA reserves.** If the GSE guidelines has a more restrictive reserve requirement than US Bank’s overlay then the more restrictive guidelines apply. No manual underwrites for manufactured homes.

DTI 45.01% - 50%: Allowed with approve/eligible or accept AUS determination. Regardless of the AUS findings US Bank will require a minimum 680 credit score.

**UNDERWRITING
CRITERIA –
(cont'd)**

Government Loans – follow first lien agency guidelines for LTV.

<i>Product</i>	<i>Min. FICO</i>	<i>Max. DTI</i>	<i>AUS</i>
<i>FHA</i>	<i>640</i>	<i>50%</i>	<i>DU, LPA, NO Manual UW</i>
<i>USDA-RD, VA</i>	<i>640</i>	<i>45%</i>	<i>GUS, DU, LPA</i>

Manual Underwrite is NOT allowed.

FHA Credit scores under 660: On FHA transactions with a 640 – 659 credit score, **US Bank** will require a minimum of 1 month of PITIA reserves.

DTI 45.01% - 50%: Allowed with approve/eligible or accept AUS determination. Regardless of the AUS findings US Bank will require a minimum 680 credit score.

**ALLOWABLE
FEES/LENDER
COMPENSATION**

In addition to the standard fees allowed by each Agency and normally charged to the borrower (i.e. Appraisal Fee, Credit Report Fee, Flood Certification, Freight, Underwriting, Document Preparation, etc.), the following origination fee may also be included as shown in the chart below. Discount points are NOT allowed.

NOTE: Please list fees on LE/CD according to the U.S. Bank Bulletin L-2017-011, dated March 17, 2017. Fees should NOT be made payable to U.S. Bank.

Conventional - No loan level price adjustments (LLPA)

Type	Amount	Service Provider
SRP – Conventional and FHA	2.50%	Lender
SRP – VA and USDA-RD	2.50%	Lender
Origination Fee	As allowed by Agency Guidelines	Lender
Funding Fee	\$400.00	Lender Fee to USB
Tax Service Fee	\$80.00	Lender Fee to USB
DPA Compliance Fee	\$225.00 – wired at closing*	Hilltop Securities Inc.

*Please provide the wire instructions to the title company as found on the post-closing checklist.

**MORTGAGE
INSURERS (MI)**

The following MI Companies are approved: Arch, Essent, Genworth, MGIC, National and Radian.

*MI rates, pricing, and guidelines may differ among the participating Mortgage Insurers and are subject to change. Lenders should consult the current Housing Finance Agency MI guidelines at each MI company to determine the terms and conditions by which such loans will be insured. **These Program Guidelines do not supersede, nor are they a substitute for, the guidelines in place with each Mortgage Insurer at the time the loan is underwritten.***

MI ACTIVATION

Lender is responsible for activating any MI policy and remitting any MI payments due to the Mortgage Insurer prior to the sale of the loan to US Bank. The Lender is also responsible for transferring the MI policy to US Bank after the loan sale.

**MORTGAGE
INSURANCE /
COVERAGE
AMOUNT**

Freddie Mac HFA Advantage – under 80% AMI and Fannie Mae HFA Preferred – under 80% AMI:

<i>LTV Range</i>	<i>MI Charter Minimum Coverage Amount</i>
<i>>95.01% and < = 97%</i>	<i>18%</i>
<i>>90.01% and < = 95%</i>	<i>16%</i>
<i>>85.01% and < = 90%</i>	<i>12%</i>
<i>>80.01% and < = 85%</i>	<i>6%</i>

Payment Options All LTV's:

- Borrower Paid – monthly with annual renewal
- Upfront borrower paid Premium
- Split Premium
- Seller Paid mortgage insurance is acceptable

The Fannie Mae HFA Preferred – over 80% AMI is NOT eligible for reduced MI coverage and standard MI coverage applies.

**MERS
ASSIGNMENTS**

Lender will be required to register and assign the First Mortgages using MERS to U.S. Bank.

**LOAN FUNDING &
CLOSING**

Lenders must fund the First Mortgage Loans at loan closing. In addition, Lenders fund the DPA assistance at closing, on behalf of ADOH, and will be reimbursed upon purchase of the qualified loan by US Bank.

**LOAN PURCHASE
AND SERVICING**

- U.S. Bank will purchase the first mortgage loan at a rate and price reflected on the Mortgage Commitment confirmation, less any fees, plus the applicable Service Release Premium.
- All loans will be sold to U.S. Bank and should be submitted electronically

<i>Loan Files</i>	<i>Collateral Packages</i>
<p><i>Must be submitted via U.S. Bank's DocVelocity for compliance review. <u>No paper files will be accepted.</u></i></p>	<p><i>U.S Bank ATTN: CIC HFA Final Docs EP-MN-X3CI 9380 Excelsior Blvd. 3rd Floor Hopkins, MN 55343</i></p>

QUICK GUIDE

FOR RESERVATION TO PURCHASE PROCESS

Lenders must fund the First Mortgage Loans and DPA forgivable 2nd lien at loan closing. All loans will be reserved (locked) and all required program documents are found in the “pdf docs” icon and will be uploaded into the:

AzIDA HOME+PLUS Lender Portal at

<https://lenders.housing.az.gov>

PROCESS

1. Reserve (Lock) Loan
 - After loan application, executed contract and eligibility has been determined
2. Upload Completed and Signed Underwriter Certification Form (found in portal)
 - NO DEADLINE
 - Closing documents will become available after submission of form
3. Close and Fund Loan and DPA
 - Closing Agent or Lender to wire \$225 compliance review fee payable to Hilltop Securities. Please reference borrower and/or our loan reservation number. Wire instructions found on closing package checklist.
4. Upload/Submit Post-Closing Documentation
 - a) Post-Closing Checklist
 - b) Executed Mortgagor Certificate
 - c) Executed Final 1003
 - d) Executed Legally Enforceable Obligation (2nd Lien Assistance Letter)
 - e) Executed Final TRID Compliant Closing Disclosure
 - f) Executed Purchase Contract
 - g) Executed 2nd Lien Deed of Trust
 - h) Executed 2nd Lien Promissory Note
 - i) Executed 2nd Lien TIL Disclosure Statement
 - j) Executed Homebuyer Education Certificate
 - k) Other (for those qualifying for Military Increased Assistance)
 - l. Veterans – copy of form DD214
5. **Check the Lender Portal 24-48 Hours After Submission**
 - Click the “view” icon for approval/conditions.

NOTES:

- *It is recommended to submit closed credit files to U.S. Bank no later than the 35th day from reservation. Extension fees may be incurred if not purchased by day 60 (sixty).*
- *The first mortgage loan will not be purchased by US Bank until the Post-Closing documents have been uploaded, reviewed and cleared by Hilltop Securities.*
- ***All files are to be submitted electronically in the Lender Portal.***
- ***NO PAPER FILES will be accepted.***